

ST. JOHNS COUNTY ROUNDTABLE MINUTES 12-08-08

ATTENDANCE: 22

GUESTS: Commissioners Ron Sanchez and Ken Bryan

NOVEMBER MINUTES: Approved as presented

TREASURER'S REPORT: \$2,055.40. 44 Members/22 Paid

COMMITTEE REPORTS: None

SPEAKER: Commissioner Ron Sanchez

Commissioner Ron Sanchez discussed the remarkable first year achievements of the Amphitheatre. The fact that this has been accomplished without the employment of any outside entertainment management firm, but instead totally managed by County staff has created this fine economic condition.

This was made possible in largest part by Ron's deep experience in the entertainment business and his leadership in setting up the internal management organization.

As his personal involvement was critical, his experiences in the entertainment business were important and these were discussed.

Ron's father was a boat builder and an accomplished guitarist, who attempted, unsuccessfully, to interest Ron in music. Ron's musical epiphany came some time later in the early sixties.

At that time, he was an officer in a bank but after a number of successful music ventures putting groups together, playing himself (drums), and booking musical acts, a choice between the entertainment business and banking had to be made. Music was the winner.

He became involved with a very fine guitarist, Ed King, who was the lead in the Strawberry Alarm Clock group and later with the emergent Leonard Skynard band.

This association led to a very successful management and performing career playing lounge circuits as road musicians in some 38 states. During this period, he played the Indianapolis Fair among other venues and rubbed elbows with some of the very biggest acts of that time such as, Chicago, Loggins and Mussina, Rick Little and the Backstreet Boys.

The business took a hit with a recession that reshaped entertainment from agencies to promoters. Having experienced the best of the times and more trying periods benefited Ron (and the County) as we had a seasoned pro in our midst.

When he became a Commissioner in 2006, he was greeted by proposals to man the totally refurbished Amphitheatre from two management firms. The proposal put forward by one of the potential vendors involved a startup with a group with no experience as a firm and marginal experience among its operatives. Inexplicably, this alternative seemed to be favored by the older members of the sitting Board over the national firm with a major presence in Jacksonville.

Ron recognized the pitfalls apparent in the proposals and asked for and undertook the assignment of analyzing the situation on behalf of the Board given his experience. He recommended hiring neither applicant but instead to manage the venture within the County organization. This move has been vindicated.

In the operations first year, it has more than covered its operating costs by some \$200,000 while putting at risk far less capital than the two outside management companies would have required.

To fortify his views on the matter, Ron with Phil McDaniel and Bill Leary of the Cultural Council visited a number of similar venues to become up-to-date on their operations, potentials and shortcomings. This was done at their personal expense.

Additionally, the Roundtable helped with the financial analysis of the two outside proposals and recommended against them in testimony before the BCC.

After a number of fits and starts by the Board, they reversed themselves and adopted the current plan as recommended and developed by Ron Sanchez.

Ron feels that the Amphitheatre has future additional potential in 3 areas: Convention business, speaker programs and by solving a major problem in parking by building a two-story garage on site, which also would generate additional parking fees. It should be noted that this remarkable start has been in the face of a weakening economy. With their feet solidly on the ground as the management group of the Amphitheatre appears, one is permitted to muse about the potential retirement of the \$9.5 million in Amphitheatre bonding debt. It will take awhile, but if there are surpluses, it is potentially attainable.

Ron's PowerPoint presentation is attached. Note the national recognition that the Amphitheatre has already attracted.

The balance of the morning was occupied with individual reports on the communities represented.

Remarks dealt with the dismal economic condition and its effect on ongoing developments. With the exception of Nocatee (250 homes built and 100 under construction) about everyone else has stopped operations.

It was mentioned that the MSD/PV sidewalk to the north county line would seem ill advised in this climate.

The change over the past year in condo and homeowner rules and covenants greatly weakened the association's ability to enforce these rules was discussed.

It was suggested that pension and benefits be a principle target of the spring's budget review as there is much evidence of under-provision elsewhere.

As before, employee contributions to their retirement plans should also be revisited.

The general economic conditions are effecting all communities, new or mature. The new developments have slowed to a crawl and the mature communities are experiencing foreclosures, dues arrearages, member resignation and downgrades. Time will tell how deep the problem goes but evidence of weakness is widespread.

With good wishes for the Holiday Season and New Year, Chairman Warner adjourned the meeting at 11:00 a.m.